

## Message Text

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63

ACTION IO-13

INFO OCT-01 ARA-11 ADP-00 SSO-00 NSCE-00 CCO-00 USIE-00

INRE-00 CIAE-00 DODE-00 PM-09 H-02 INR-10 L-03

NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-14 AID-20

COME-00 EB-11 FRB-02 TRSE-00 XMB-07 OPIC-12 CIEP-02

LAB-06 SIL-01 SAL-01 OMB-01 AGR-20 STR-08 RSR-01 /170 W  
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O 291900 Z MAR 73

FM AMEMBASSY QUITO

TO SECSTATE WASHDC IMMEDIATE 7003

INFO USMISSION USUN NEW YORK

UNCLAS QUITO 1621

E. O. 11652: N/ A

TAGS: OCON, ECLA

SUBJECT: 15 TH SESSION ECLA: EFFECTS OF ACTIVITIES  
OF MULTINATIONAL CORPORATIONS

FOLLOWING IS CR PAPER NO. 30 - DRAFT RESOLUTION  
ON MULTINATIONAL CORPORATIONS CO- SPONSORED  
BY CHILE, COLOMBIA, CUBA, MEXICO, PERU AND  
VENEZUELA. DEPT'S COMMENTS REQUESTED ASAP.

BEGIN QUOTE:

THE ECONOMIC COMMISSION FOR LATIN AMERICA,

CONSIDERING THAT THE COUNTRIES OF LATIN AMERICA ARE DEEPLY  
CONCERNED ABOUT CERTAIN ACTIVITIES ENGAGED IN BY TRANSNATIONAL  
CORPORATIONS IN THE REGION BECAUSE THE IMMENSE ECONOMIC POWER  
CONCENTRATED IN THESE CORPORATIONS MAY INTERFERE WITH NATIONAL  
INTERESTS, AND IN SOME CASES HAS DONE SO; THE SITUATION IS FURTHER  
AGGRAVATED BY THE FACT THAT THESE CORPORATIONS AT THE GLOBAL  
LEVEL DO NOT DEPEND ON ANY STATE AND THEIR ACTIVITIES ARE NOT  
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CONTROLLED BY ANY INSTITUTION REPRESENTING THE PUBLIC INTEREST,

BEARING IN MIND THAT THE DECISION- MAKING CENTRE OF THESE CORPORATIONS

LIES OUTSIDE THE REGION AND THAT THE POLICIES ON CAPITAL FORMATION, PRICES AND THE TRANSFER OF TECHNOLOGY ESTABLISHED BY THEM ARE DETERMINED INDEPENDENTLY OF THE DEVELOPMENT OBJECTIVES WHICH MAY BE ADOPTED BY THE COUNTRIES IN ACCORDANCE WITH THEIR NATIONAL INTERESTS,

BEARING IN MIND FURTHER THAT THE LATIN AMERICAN COUNTRIES ARE SIMILARLY CONCERNED ABOUT THE NET OUTFLOW OF CAPITAL THROUGH THESE TRANSNATIONAL CORPORATIONS, THUS LIMITING THE OPPORTUNITIES FOR CAPITAL ACCUMULATION IN THE COUNTRIES WHERE THEY OPERATE; THERE IS ALSO AN ILLEGAL TRANSFER OF CAPITAL CONDUCTED BY THESE TRANSNATIONAL CORPORATIONS, THROUGH SUCH ACTIVITIES AS THE OVER- INVOICING OF RAW MATERIALS BY THEIR BRANCH OFFICES, AND THE COLLECTION OF ROYALTIES AND PATENTS WHICH ACTUALLY BELONG TO THE CENTRAL OFFICE OF CORPORATION,

POINTING OUT THAT THE LATIN AMERICAN COUNTRIES REJECT THE DIRECT INTERFERENCE OF CERTAIN TRANSNATIONAL CORPORATIONS IN THE INTERNAL POLICY OF THE COUNTRIES IN WHICH THEY OPERATE. THE CHECKED ACTION OF SOME OF THESE CORPORATIONS HAS BEEN SO EXTENSIVE THAT IT HAS GIVEN RISE TO AN INVESTIGATION IN THE UNITED STATES SENATE AND IN OTHER DEVELOPED COUNTRIES,

EMPHASIZES THE IMPORTANCE OF THE INITIATIVES OF DIFFERENT COUNTRIES OR GROUPS OF COUNTRIES IN THE REGION, AIMED AT REGULATING PRIVATE FOREIGN INVESTMENT AND THE TRANSFER OF TECHNOLOGY SO AS TO ENSURE THAT THEY WILL BE AT THE SERVICE OF INDEPENDENT NATIONAL DEVELOPMENT,

REQUESTS THE SECRETARIAT TO STUDY THE EFFECTS OF THE BEHAVIOUR OF CERTAIN TRANSNATIONAL CORPORATIONS ON THE ECONOMIC DEVELOPMENT OF

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THE REGION,

REQUESTS THE EXECUTIVE SECRETARY TO INFORM THE SECRETARY-  
GENERAL OF THE UNITED NATIONS THE MAGNITUDE OF THIS PROBLEM AND  
THE NEED FOR DIFFERENT ORGANS OF THE UNITED NATIONS SYSTEM TO  
STUDY IN DEPTH THE BEHAVIOUR OF THE TRANSNATIONAL CORPORATIONS  
AND THEIR EFFECTS ON THE DEVELOPING COUNTRIES.

END QUOTE.

BURNS

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\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* UNCLASSIFIED

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
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**Draft Date:** 29 MAR 1973  
**Decaption Date:** 01 JAN 1960  
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**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
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**Page Count:** 3  
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**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** shawdg  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 10 OCT 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <10-Oct-2001 by hagers>; RELEASED <10-Oct-2001 by hagers>; APPROVED <30-Jan-2002 by shawdg>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** <DBA CORRECTED> srp 980107  
**Subject:** 15 TH SESSION ECLA: EFFECTS OF ACTIVITIES OF MULTINATIONAL CORPORATIONS  
**TAGS:** OCON, ECLA  
**To:** IO  
SECSTATE WASHDC  
USUN NEW YORK INFO USUN NEW YORK  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005